

FOR IMMEDIATE RELEASE April 10, 2001

CONTACT: Mark Daley (202) 225-5235

"GOP Estate Tax: All That Glitters Isn't Gold"

By Congressman Allen Boyd

Sausages and Laws – the two things you never want to see made. That old saying rang true last week when the U.S. House of Representatives passed a bill to repeal the estate tax. We all know that taxing an individual's estate after his/her death is wrong. The problem rests in how we rectify this onerous tax. With so many options to siphon through, last week both parties grasped to different plans that serve to alleviate this unjust penalty.

The Republican measure, which ultimately passed, carries a price tag of \$185.6 billion over 9 years and fails to offer any significant relief until 2011. This back-loaded approach will lower the top rate of 55 percent to 39 percent over 9 years and repeal the tax entirely in the tenth year. The alternative plan, which I support and was introduced by the Democratic party, would have immediately increased the exemption to \$4 million for couples and continued to phase in an additional increase to \$5 million over the course of 10 years. This plan would have immediately provided estate tax relief for 98 percent of all individuals subjected to the estate tax. After the Democrat's alternative was defeated by the majority party, I supported the Republican plan. I supported this plan not because I feel that is the most effective way of providing estate tax relief to the more than 50,000 people affected nationally, but because I support estate tax relief.

Back home in Florida, (according to 1998 statistics) of the 155,000 deaths in the state, 8,688 decedents filed estate tax returns and 4,144 returns resulted in an estate tax liability. The Democratic plan, which immediately increased the exemption to \$4 million for couples, would have eliminated the estate tax on all but 253 eligible filers. In contrast, the Republican measure would protect fewer than 100 filers until 2011.

I have never been one to play partisan politics. I vote for common-sense legislation that serves the best interest of Florida's Second Congressional district. In fact, the Blue Dog Coalition of moderate-to-conservative House Democrats of which I am a Co-Chair, was recently noted by one of our House colleagues as the "gold standard in Congress for reaching across party lines and pursuing common-sense solutions to this country's problems." Last week, a powerful majority rammed a misguided and ill conceived bill through the House of Representatives. The GOP Leadership used their majority to "slam dunk" the legislation in the House and leave the real negotiating up to the evenly divided Senate. The voice of fiscal responsibility was silenced

by the tyrannical reign of the majority.

After the Senate takes up this proposal and a final version reaches the floor of the House I will review carefully the finished product, and I will not support a final version of a tax bill that is not fiscally responsible. Estate tax relief is necessary, and we have proven that it is attainable. We must choose an option that provides immediate relief and does not jeopardize future prosperity.